

**City of Houston**  
**Department of Planning & Development**  
**Tax Abatement Status Report - October 2002**

**CURRENT ECONOMIC DEVELOPMENT ABATEMENTS**

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	
Company		Passed by Council	Dis.	Total Proposed Investment	Total Proposed Abatable Investment	Investment Required by Agreement	2002 Investment Appraised Value	2002 Tax Revenue Abated	Total Proposed Jobs	Jobs in Houston at Time of Approval	Agreement Requirements			Current Jobs Retained/ Created  (3)	City Revenues		Tax Abatement Granted by:	
											Jobs Retained	Jobs Created	Total Jobs Retained/ Created		Taxes on other Pers./Real Property (4)	Sales Taxes  (5)		
																	ISD	Harris County
1	Michelin N. America (6)	01/19/94	B	\$68,038,000	\$15,171,000	\$3,500,000	\$14,678,710	\$19,229	55	0	0	55	55	65	\$60,735	\$21,970	Yes	Yes
2	Lyondell-CITGO Refining (7)	06/01/94	I	\$260,000,000	\$260,000,000	\$3,500,000	\$53,024,080	\$0	1,470	1,400	1,400	70	1,470	1,040	N/A	\$351,520	Yes	Yes
3	H.E.B. Grocery Co.	07/27/94	A	\$45,216,491	\$5,090,610	\$3,500,000	\$3,961,620	\$5,190	800	0	0	25	25	456	\$21,620	\$154,128	No	Yes
4	The Men's Wearhouse	09/14/94	F	\$3,404,200	\$3,404,200	\$1,000,000	\$1,458,390	\$955	201	176	176	25	201	310	\$8,597	\$104,780	No	Yes
5	Apollo Paper Co. (8)	09/14/94	A	\$2,509,220	\$2,030,060	\$1,000,000	\$2,301,780	\$0	60	60	25	25	25	0	\$13,569	\$0	No	Yes
6	Amerada Hess Corp. (9)	11/08/94	I	\$49,260,000	\$34,260,000	\$3,500,000	\$1,997,510	\$13,084	800	300	300	500	250	501	\$0	\$169,338	No	Yes
7	Houston Processing/Int'l Trading	12/14/94	B	\$19,300,000	\$9,400,000	\$3,500,000	\$6,434,730	\$8,429	625	500	500	125	625	1,252	\$35,229	\$423,176	No	Yes
8	Triple-S Steel Supply Co.	12/21/94	H	\$3,556,852	\$1,392,500	\$1,000,000	\$1,173,420	\$769	110	85	85	25	110	187	\$6,835	\$63,206	No	No
9	Dreyer's Grand Ice Cream (10)	12/06/95	A	\$21,464,000	\$11,161,000	\$9,486,000	\$7,527,580	\$9,861	200	90	125	75	200	249	\$39,358	\$84,162	No	Yes
10	Tanox BioSystems, Inc. (11)	12/20/95	D	\$6,359,970	\$5,300,000	\$4,770,000	\$4,522,980	\$11,850	59	39	39	20	59	81	\$12,652	\$27,378	No	Yes
11	J.H. Walker Inc.	01/29/96	H	\$2,160,250	\$1,210,530	\$1,030,000	\$964,260	\$632	69	60	60	25	85	130	\$4,356	\$43,940	No	Yes
12	Novo Industries Inc. (12)	02/21/96	A	\$10,326,185	\$8,441,005	\$6,680,000	\$5,035,810	\$6,597	400	0	320	80	400	1,045	\$39,156	\$353,210	No	Yes
13	Distribution International	03/27/96	I	\$4,017,097	\$3,957,097	\$3,600,000	\$3,419,490	\$8,959	134	134	115	0	115	115	\$8,944	\$38,870	No	Yes

**Notes & Comments**

- (1) Column (C) represents total private investment in each company's project, including land costs, unabatable improvements and inventory value where applicable.
- (2) Column (F) represents uncertified appraised values for Tax Year 2002.
- (3) Column (M) represents jobs retained/created as of 1/1/02, based on company reports to the City of Houston and HCAD (Form 11.28).
- (4) Column (N) represents year 2001 certified taxes on all non-abated real and personal property, excluding taxes on land.
- (5) Estimated yearly sales taxes per job (\$338) x current jobs retained/created.
- (6) Although Michelin committed itself to create 55 jobs by 1999, its abatement agreement indicates only the minimum required of 25 jobs.
- (7) Lyondell will not receive an abatement for Tax Year 2002 as the value of its improvements is less than the base value under the agreement.
- (8) Apollo Paper has defaulted on their agreement, and a Notice of Default has been sent to the company.
- (9) The Agreement with Amerada obligates the company to 250 full-time jobs after 01-01-98.
- (10) Dreyer's Agreement was amended by City Council on 3/6/02, increasing their employment requirement from 165 to 200 retained/created jobs.
- (11) Tanox BioSystems' tax abatement became effective on 1/1/97.
- (12) Includes Novo Industries' original agreement approved on 4/29/92.

**City of Houston**  
**Department of Planning & Development**  
**Tax Abatement Status Report - October 2002**

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	
Company		Passed by Council	Dis.	Total Proposed Investment	Total Proposed Abatable Investment	Investment Required by Agreement	2002 Investment Appraised Value	2002 Tax Revenue Abated	Total Proposed Jobs	Jobs in Houston at Time of Approval	Agreement Requirements			Current Jobs Retained/ Created (3)	City Revenues		Tax Abatement Granted by:	
											Jobs Retained	Jobs Created	Total Jobs Retained/ Created		Taxes on other Pers./Real Property (4)	Sales Taxes (5)		
				(1)			(2)								(4)	(5)	ISD	Harris County
14	PrimeCo Personal Comm.	08/28/96	F	\$3,972,000	\$3,229,000	\$3,229,000	\$1,307,450	\$1,713	200	0	0	200	200	406	\$5,995	\$137,228	No	Yes
15	Office Depot of Texas, LP	12/04/96	A	\$7,100,000	\$5,850,000	\$5,218,750	\$5,235,770	\$13,718	270	170	170	100	270	396	\$14,478	\$133,848	No	Yes
16	GTE Mobilonet	12/11/96	F	\$8,722,900	\$5,522,900	\$5,522,900	\$3,009,960	\$7,886	575	166	166	409	575	654	\$7,886	\$221,052	No	Yes
17	BMC Software, Inc.	03/12/97	G	\$27,500,000	\$27,500,000	\$27,500,000	\$19,908,700	\$78,241	1,333	847	847	486	1,333	1,942	\$24,499	\$656,396	No	Yes
18	Continental Airlines (6)	02/26/97	B	\$100,500,000	\$100,500,000	\$100,500,000	\$154,716,210	\$1,013,391	230	130	100	130	230	230	\$0	\$77,740	No	Yes
19	Dynegy Inc. (NGC Corp.)	04/02/97	I	\$17,000,000	\$10,000,000	\$10,000,000	\$13,731,460	\$89,941	603	403	403	200	603	1,765	\$0	\$596,570	No	Yes
20	Corporate Express	04/02/97	A	\$11,000,000	\$7,400,000	\$7,400,000	\$6,863,050	\$26,972	310	262	262	48	310	351	\$10,204	\$118,638	No	Yes
21	Van Leer Flexibles (Valeron) (7)	07/01/97	A	\$11,350,000	\$11,350,000	\$11,350,000	\$10,677,880	\$41,964	224	186	186	38	224	198	\$14,646	\$66,924	No	Yes
22	Syndex Corp. (8)	09/03/97	E	\$8,000,000	\$7,500,000	\$7,500,000	\$6,829,560	\$26,840	150	250	150	0	150	323	\$9,170	\$109,174	No	Yes
23	Continental Airlines, Inc.	11/12/97	I	\$36,060,000	\$13,060,000	\$13,060,000	\$36,015,030	\$209,950	94	3,094	3,094	94	3,188	3,058	\$25,949	\$1,033,604	No	Yes
24	Lamons Metal Gasket (9)	12/17/97	E	\$9,500,000	\$8,500,000	\$8,500,000	\$8,228,370	\$53,896	25	260	260	25	285	291	\$0	\$98,358	No	Yes

**Notes & Comments**

- (1) Column (C) represents total private investment in each company's project, including land costs, unabatable improvements and inventory value where applicable.
- (2) Column (F) represents uncertified appraised values for Tax Year 2002.
- (3) Column (M) represents jobs retained/created as of 1/1/02, based on company reports to the City of Houston and HCAD (Form 11.28).
- (4) Column (N) represents year 2001 certified taxes on all non-abated real and personal property, excluding taxes on land.
- (5) Estimated yearly sales taxes per job (\$338) x current jobs retained/created.
- (6) The tax abatement applies to the aircraft parts to be maintained in the facility. The tax abatement became effective on 1/1/00.
- (7) VanLeer had a deadline of 1/1/02 to meet the job requirements. The F&A Dept. will conduct a compliance audit to determine compliance with the Agreement.
- (8) Due to trends toward automation in the industry, Syndex contractually committed to retain a minimum of 150 jobs.
- (9) Lamons' tax abatement began 1/1/99.

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Company		Passed by Council	Dis.	Total Proposed Investment (1)	Total Proposed Abatable Investment	Investment Required by Agreement	2002 Investment Appraised Value (2)	2002 Tax Revenue Abated	Total Proposed Jobs	Jobs in Houston at Time of Approval	Agreement Requirements			Current Jobs Retained/ Created (3)	City Revenues		Tax Abatement Granted by:	
											Jobs Retained	Jobs Created	Total Jobs Retained/ Created		Taxes on other Pers./Real Property (4)	Sales Taxes (5)	ISD	Harris County
25	Thiel Mfg. & Supply Co. (6)	02/04/98	E	\$3,951,520	\$1,145,000	\$1,145,000	\$445,000	\$0	110	0	0	110	110	30	\$1,457	\$10,140	No	Yes
26	Solar Turbines (7)	05/15/98	ETJ	\$10,350,000	\$9,700,000	\$9,700,000	\$16,796,520	\$0	100	258	258	100	358	258	N/A	N/A	No	Yes
27	Cabot Oil (8)	06/24/98	G	\$14,000,000	\$9,700,000	\$9,700,000	\$15,839,300	\$82,998	30	142	142	30	172	180	\$0	\$60,840	No	Yes
28	ABB, Inc. (9)	06/24/98	G	\$58,360,000	\$53,360,000	\$53,360,000	\$57,037,600	\$373,596	225	1,004	1,332	300	1,632	1,575	\$0	\$532,350	No	Yes
29	Alliant Foodservice (10)	09/02/98	B	\$15,000,000	\$12,807,000	\$12,807,000	\$12,285,390	\$0	107	168	168	107	275	199	N/A	\$67,262	No	Yes
30	United Stationers (11)	09/02/98	A	\$9,100,000	\$9,100,000	\$9,100,000	\$6,746,360	\$35,351	25	95	95	25	120	100	\$0	\$33,800	No	Yes
31	Glass Wholesalers, Inc. (12)	10/28/98	A	\$8,716,000	\$7,900,000	\$7,900,000	\$7,576,180	\$39,699	30	47	47	30	77	203	\$0	\$68,614	No	Yes
32	Metalplate Galvanizing (13)	10/28/98	I	\$5,000,000	\$4,825,446	\$4,825,446	\$4,554,060	\$29,829	50	77	0	50	50	54	\$0	\$18,252	No	Yes
33	HHA (Whitehall Hotel) (14)	12/16/98	I	\$27,000,000	\$15,060,680	\$15,060,680	\$15,260,690	\$99,958	240	0	0	240	240	155	N/A	\$52,390	No	Yes
34	Nextlink Texas, Inc. (XO Comm.)	07/14/99	C	\$8,227,000	\$7,897,000	\$7,897,000	\$9,814,490	\$64,285	85	0	0	85	85	52	\$0	\$17,576	No	Yes
35	Action Box (15)	07/27/99	A	\$7,525,000	\$7,525,000	\$7,525,000	\$7,100,640	\$46,509	25	98	98	25	123	98	N/A	\$33,124	No	Yes
36	Halliburton Energy Serv.	07/27/99	B	\$8,239,000	\$5,030,000	\$8,239,000	\$11,086,280	\$72,615	295	2,150	380	295	675	1,097	\$0	\$370,786	No	Yes
37	Introgen Therapeutics, Inc.	10/20/99	D	\$8,400,000	\$7,600,000	\$7,600,000	\$7,921,450	\$51,885	112	46	46	66	112	43	\$0	\$14,534	No	Yes

**Notes & Comments**

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- (5) Estimated yearly sales taxes per job (\$338) x current jobs retained/created.
- (6) Theil has defaulted on their agreement and a Notice of Default letter has been sent to the company.
- (7) Solar Turbine is operating in the City's Extra Territorial Jurisdiction. The tax abatement will go into effect only if the area is annexed into the City of Houston.
- (8) According to its Agreement, Cabot Oil would retain at least 127 permanent employees and create jobs for 30 new permanent employees, as well as retain at least 15 contract employees by Jan. 1, 2002.
- (9) According to its Agreement, ABB will retain at least 1,004 permanent employees and create jobs for 225 new permanent employees, as well as retain at least 328 contract employees and create jobs for 75 new contract employees by Jan. 1, 2003.
- (10) Alliant Foodservice's tax abatement period began on January 1, 2000. City Council amended the Agreement on November 13, 2002, extending the job creation period to January 1, 2004.
- (11) United Stationers' Abatement Agreement was assigned to Spiegel Family Venture 8 and Active West, Inc. on 12/8/99 following an acquisition. Also, the total current jobs listed in column (m) does not include 25 contract employees currently employed in the reinvestment zone. The F&A Dept. will conduct a compliance audit to determine compliance with the Agreement.
- (12) The Finance & Administration Department has scheduled an audit to determine compliance with the Tax Abatement Agreement.
- (13) Metalplate's tax abatement was amended on 12/15/99 to allow for a full-scale abatement, up from half, and a 61% increase in the company's committed investment. Employment requirements have not changed. Tax abatement period started on Jan. 1, 2000. The Finance & Administration Department will conduct a compliance audit to determine compliance with the Agreement.
- (14) The Whitehall Hotel has a deadline of 1/1/03 to make the job requirements.
- (15) The Finance & Administration Department will conduct a compliance audit to determine compliance with the Tax Abatement Agreement.

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Company		Passed by Council	Dis.	Total Proposed Investment (1)	Total Proposed Abatable Investment	Investment Required by Agreement	2002 Investment Appraised Value (2)	2002 Tax Revenue Abated	Total Proposed Jobs	Jobs in Houston at Time of Approval	Agreement Requirements			Current Jobs Retained/ Created (3)	City Revenues		Tax Abatement Granted by:	
											Jobs Retained	Jobs Created	Total Jobs Retained/ Created		Taxes on other Pers./Real Property (4)	Sales Taxes (5)		
																	ISD	Harris County
38	BMC Software, Inc. - Phase I (6)	10/20/99	G	\$100,000,000	\$100,000,000	\$100,000,000	\$903,313,400	\$5,916,703	3,495	1,745	1,745	1,750	3,495	1,942	N/A	\$656,396	No	No
39	BMC Software, Inc. - Phase II.A (6)	10/20/99	G	\$50,000,000	\$50,000,000	\$50,000,000	\$0	\$0	1,000	3,495	3,495	1,000	4,495	0	N/A	\$0	No	No
40	BMC Software, Inc. - Phase II.B (6)	10/20/99	G	\$50,000,000	\$50,000,000	\$50,000,000	\$0	\$0	1,000	4,495	4,495	1,000	5,495	0	N/A	\$0	No	No
41	BMC Software, Inc. - Phase II.C (6)	10/20/99	G	\$50,000,000	\$50,000,000	\$50,000,000	\$0	\$0	1,000	5,495	5,495	1,000	6,495	0	N/A	\$0	No	No
42	The Men's Wearhouse (7)	12/15/99	C	\$10,342,025	\$7,342,000	\$7,017,125	\$13,699,930	\$89,735	72	713	0	72	72	157	N/A	\$53,066	No	Yes
43	Extrusion Technology (RTI) (8)	06/07/00	E	\$9,525,000	\$9,300,000	\$9,300,000	\$8,757,880	\$57,364	55	0	0	55	55	46	N/A	\$15,548	No	Yes
44	Novo Industries, Inc. #2	06/28/00	A	\$14,287,573	\$14,181,593	\$14,181,593	\$0	\$0	500	1,074	1,074	500	1,574	1,039	N/A	\$351,182	No	Yes
45	Liebherr-America, Inc.	02/20/02	B	\$6,200,000	\$6,200,000	\$6,200,000	\$0	\$0	30	5	5	25	30	0	N/A	N/A	No	Yes
46	R&L Carriers, Inc.	03/27/02	I	\$1,700,000	\$1,700,000	\$1,700,000	\$0	\$0	250	100	100	150	250	0	N/A	N/A	No	Yes
47	Del Monte (9)	06/12/02	A	\$6,900,000	\$6,700,000	\$6,700,000	\$0	\$0	125	0	0	125	125	0	N/A	N/A	No	No
48	Landry's Management LP	07/31/02	I	\$37,000,000	\$21,442,000	\$21,442,000	\$0	\$0	125	0	0	125	125	0	N/A	N/A	No	No
49	Kerr-McGee (10)	08/21/02	B	\$12,286,500	\$11,886,500	\$11,886,500	\$0	\$0	50	0	0	50	50	0	N/A	N/A	No	Yes
<b>Totals</b>				\$1,255,759,263	\$1,032,587,121	\$720,087,994	\$1,463,237,790	\$8,570,894	17,993	29,772	27,711	9,955	37,091	22,040	\$363,879	\$7,430,930		

**Notes & Comments**

- (1) Column (C) represents total private investment in each company's project, including land costs, unabatable improvements and inventory value where applicable.
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- (3) Column (M) represents jobs retained/created as of 1/1/02, based on company reports to the City of Houston and HCAD (Form 11.28).
- (4) Column (N) represents year 2001 certified taxes on all non-abated real and personal property, excluding taxes on land.
- (5) Estimated yearly sales taxes per job (\$338) x current jobs retained/created.
- (6) BMC's project consists of two phases, each of which is under a separate agreement: Phase One (row 38) involves the construction of 2 buildings (abatement period starts on 1/1/01); Phase Two (rows 39-41) involves the construction of 3 buildings (abatement periods starting in 2002, 2004 and 2006). BMC will retain its current 1,745 jobs and will create 1,750 new ones under Phase I and additional 3,000 under Phase II (1,000 jobs added under each of the 3 sub-phases: II.A, II.B, II.C). Figures in Column (I), rows 39-41, reflect jobs to be retained by BMC at the beginning of each phase. Adjustments were made to eliminate overlapping count of jobs in columns (I), (J) and (L) totals.
- (7) The Men's Wearhouse tax abatement began on 1/1/01.
- (8) Extrusion Technology's abatement was assigned to RTI Fabricators on 9/26/01.
- (9) City Council approved this tax abatement agreement subsequent to Del Monte's request for cancellation of their application. The agreement will be terminated.
- (10) Kerr-McGee is to create 50 jobs comprising of 25 permanent, full-time employees and 25 permanent or contract employees.

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**CURRENT REDEVELOPMENT ABATEMENT PROJECTS**

Company	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J) (K) (L)			(M)	(N) (O)		(P)	
	Passed by Council	Dis.	Total Proposed Investment	Total Proposed Abatable Investment	Investment Required by Agreement	2002 Investment Appraised Value	2002 Tax Revenue Abated	Total Proposed Jobs	Jobs in Houston at Time of Approval	Agreement Requirements			Current Jobs Retained/ Created	Taxes on other Pers./Real Property	Sales Taxes	Tax Abatement Granted by: (7)	
			(1)			(2)		(3)		Jobs Retained	Jobs Created	Total Jobs Retained/ Created	(4)	(5)	(6)	ISD	Harris County
1 Weingarten Realty Invst. (8)	07/08/98	I	\$6,100,000	\$3,100,000	\$3,100,000	\$3,158,500	\$20,688	33	206	0	0	0	106	\$0	\$35,828	No	No
<b>Totals</b>			\$6,100,000	\$3,100,000	\$3,100,000	\$3,158,500	\$20,688	33	206	0	0	0	106	\$0	\$35,828		

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- (2) Column (F) represents uncertified appraised values for Tax Year 2002.
- (3) Column (H) represents the number of jobs estimated to be created by the project. Redevelopment abatements do not require job creation.
- (4) Column (M) represents jobs retained/created as of 1/1/02.
- (5) Column (N) represents year 2001 certified taxes on all non-abated real and personal property, excluding taxes on the land.
- (6) Estimated yearly sales taxes per job (\$338) x current jobs retained/created.
- (7) Harris County and HISD have not adopted guidelines and criteria to enable their consideration of Redevelopment Abatements.
- (8) Weingarten's tax abatement agreement does not contain a job creation requirement.

**ECONOMIC DEVELOPMENT AND REDEVELOPMENT SUMMARY**

TOTALS	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J) (K) (L)			(M)	(N) (O)	
	Total Proposed Investment	Total Proposed Abatable Investment	Investment Required by Agreement	2001 Investment Appraised Value	2001 Tax Revenue Abated	Total Proposed Jobs	Jobs in Houston at Time of Approval	Jobs Retained	Jobs Created	Total Jobs Retained/ Created	Current Jobs Retained/ Created	Other Pers./Real Property Taxes	Sales/ Franchise Taxes
Economic Development Abatements	\$1,255,759,263	\$1,032,587,121	\$720,087,994	\$1,463,237,790	\$8,570,894	17,993	29,772	27,711	9,955	37,091	22,040	\$363,879	\$7,430,930
Economic Redevelopment Abatements	\$6,100,000	\$3,100,000	\$3,100,000	\$3,158,500	\$20,688	33	206	0	0	0	106	\$0	\$35,828
<b>Grand Totals</b>	\$1,261,859,263	\$1,035,687,121	\$723,187,994	\$1,466,396,290	\$8,591,582	18,026	29,978	27,711	9,955	37,091	22,146	\$363,879	\$7,466,758